



# **SBA Procurement Programs Overview June 2013**

- The statutory goals:

- 23% of all prime and subcontracts for small businesses (SB)
- 5% of prime and subcontracts for small disadvantaged businesses (SDB) including 8(a)
- 5% of prime and subcontracts for woman owned small businesses (WOB)
- 3% of prime and subcontracts for Historically Underutilized Zone small businesses (HUBZone SB)
- 3% of prime and subcontracts for service disabled veteran-owned small businesses (SDVOSB)

# What Determines “small” ?

- Only SBA determines size. (First Criteria)
- A business entity organized for profit,
  - located in the United States, and which operates primarily within the United States
  - or which makes a significant contribution to the U. S. economy through the payment of taxes or use of American products, material or labor (13 CFR Part 121)

# **What Determines “small” ?**

## **(Second Criteria)**

- **North American Industry Classification System Code (NAICS Code)**
- **<http://www.sba.gov/size/>**
- **Manufacturer, Wholesaler = # Employee**

• **Services – Annual Gross Sales**

# Certification

- **Federal Contracts**

- Small Business (self-certify)
- Woman-owned Small Business (self-certify)
- Veteran-Owned Small Business (self-certify)
- Service-Disabled Veteran Owned Small Bus (self-certify)
- Small Disadvantaged Business (self-certify)
- 8(a) Program (pre-certification)
- HUBZone Small Business (pre-certification)

# **“Get Your Foot in the Door”**

## **System for Award Management (SAM)**

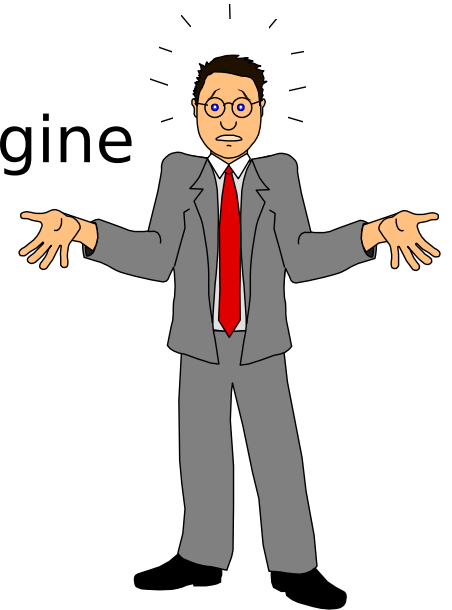
<http://www.sam.gov/>

- An integrated database of businesses that want to do business with the government.
- SAM profile is an important marketing tool

# Where are the Bid Advertisements?

- Federal Contract Opportunities
- Government Procurement Search Engine
  - (Vendor Notification Service)

**<http://www.fbo.gov>**



# Set Aside Programs

- **FIVE Set Aside categories:**
  - Small Business Set Asides (SBSA)
  - SBA 8(a) Set Asides
  - SBA Hubzone Set Asides
  - SDVOSB Set Asides
  - WOSB/EDWOSB Set Asides

# HUBZone

## Eligibility

1. **Small Business (Principal Office) Located in a HUBZone**

<http://www.sba.gov/hubzone>

2. **At least 51% Owned & Controlled by U.S. Citizen/s**

3. **At least 35% employees reside in a HUBZone**

4. **Verified in [www.sam.gov](http://www.sam.gov), Dynamic Small Business Search**

# **Benefits Of HUBZone Program**

- **Sole Source Contracts (<\$4.0M services, <\$6.5M Mfg)**
- **Restricted Competition (Any \$ amount, 2 or more)**
- **10% price evaluation preference in F&O Competition**



# Women-Owned Small Business (WOSB) Federal Contract Program



# Overview of Women-Owned Small Business program



The Women-Owned Small Business (WOSB) program authorizes contracting officers to **set aside certain federal contracts** for eligible:

- Women-owned small businesses (WOSBs) or
- Economically disadvantaged women-owned small businesses (EDWOSBs)



# Requirements for WOSB and EDWOSB Set Asides

Contracting officers may set aside contracts for WOSBs and EDWOSBs if they meet the following requirements:

|                | WOSB Set Aside                                                                                                                                                                                                | EDWOSB Set Aside                                                                                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrie<br>s | <ul style="list-style-type: none"><li>• NAICS code assigned to solicitation, IFB or quote is in an industry in which WOSBs are <b>substantially underrepresented</b> (38, 4-digit NAICS designated)</li></ul> | <ul style="list-style-type: none"><li>• NAICS code assigned to solicitation, IFB or quote is in an industry in which WOSBs are <b>underrepresented</b> (45, 4-digit NAICS designated)</li></ul>      |
| Rule of<br>two | <ul style="list-style-type: none"><li>• Contracting officer has reasonable expectation that <b>2 or more WOSBs will submit an offer</b></li><li>* <i>Note: All EDWOSBs are WOSBs</i></li></ul>                | <ul style="list-style-type: none"><li>• Contracting officer has reasonable expectation that <b>2 or more EDWOSBs will submit an offer</b></li><li>* <i>Note: Not all WOSBs are EDWOSBs</i></li></ul> |
| Award<br>price | <ul style="list-style-type: none"><li>• Contract can be awarded at <b>fair market price</b></li></ul>                                                                                                         |                                                                                                                                                                                                      |

A complete list of  
applicable NAICS codes can  
be found at  
[www.sba.gov/wosb](http://www.sba.gov/wosb)

# Eligibility Requirements for WOSBs

- ☐ Meet **small business size standard** for primary NAICS code and contract
- ☐ At least **51% unconditionally and directly owned by women** who are **U.S. citizens\***
- ☐ The woman must manage the **day-to-day operations**
- ☐ The woman must make the **long-term decisions** for the business
- ☐ A woman must **hold highest officer position**
- ☐ The woman must work at the business **full-time during normal working hours**

\*We do not consider community property laws when looking at ownership.

- ☐ **No minimum amount of time** the business has been operational



# Eligibility Requirements for EDWOSBs

Same requirements as WOSBs (on previous page) PLUS:

❑ **Personal net worth** (assets minus liabilities) **is less than \$750,000** excluding:

- Ownership in business and primary personal residence
- Income reinvested or used to pay taxes of business
- Funds reinvested in IRA or other retirement account\*
- Transferred assets within two years if to or on behalf of immediate family member for select purposes\*\*

❑ **Adjusted gross income average over three years is \$350,000 or less** excluding:

- Income reinvested or used to pay taxes of business

❑ **Fair market value of assets is \$6 million or less** excluding:

- Funds reinvested in IRA or other official retirement account

\* Must be IRA or other official retirement account that is unavailable until retirement age without significant penalty

\*\* Select purposes are for that individual's education, medical expenses or other essential support or to family member

In recognition of special event



# WOSB program certification



There are two ways to certify for the WOSB program:

- **Self certification** with supporting documents, or
- **Third Party Certification** with supporting documents

## Self Certification

- Free, no cost
- Register in SAM as WOSB or EDWOSB
- Compile and upload all required documents to the repository

## Third Party Certification

- Register in SAM as WOSB or EDWOSB
- Obtain certification from an SBA-approved Third Party Certifier
- Compile and upload all required documents to the repository
  - Represent status in SAM.gov

# 5 Steps to participate in the WOSB program

- 1 Read the WOSB Federal Contract program regulations in the Federal Register and the WOSB Compliance Guide
- 2 Register in Central Contractor Registration (SAM) as WOSB or EDWOSB
- 3 Log onto SBA's General Login System (GLS)  
*\*Obtain an account now if you don't already have one*
- 4 Go to the WOSB program repository and upload / categorize all required documents
- 5 Represent your status in Online Representations and Certifications Application (SAM)



# **8(a) Business Development Program**

## 8(a) Business Development Program

- Business development program & Certification
- Only for Small Disadvantaged Businesses
- Provides access to the federal procurement market through set aside contracts, including sole source contracts
- 9 year program, divided into Developmental and Transitional Stages

# 8(a) Eligibility

- Must be 51% owned and controlled by a Socially and economically Disadvantaged individual:
    - **Social Disadvantage:** Includes Hispanic, Native American, Pacific Asian, African American and Sub Continent Asian. Disabled status or gender may also qualify on case by case basis
    - **Economic Disadvantage:** Personal Net Worth may not exceed \$250,000
  - Must be in business for at least two years
  - Should have experience selling to the US government
  - Must be approved into the program by SBA
- [www.sba.gov/8\(a\)bdmis](http://www.sba.gov/8(a)bdmis)